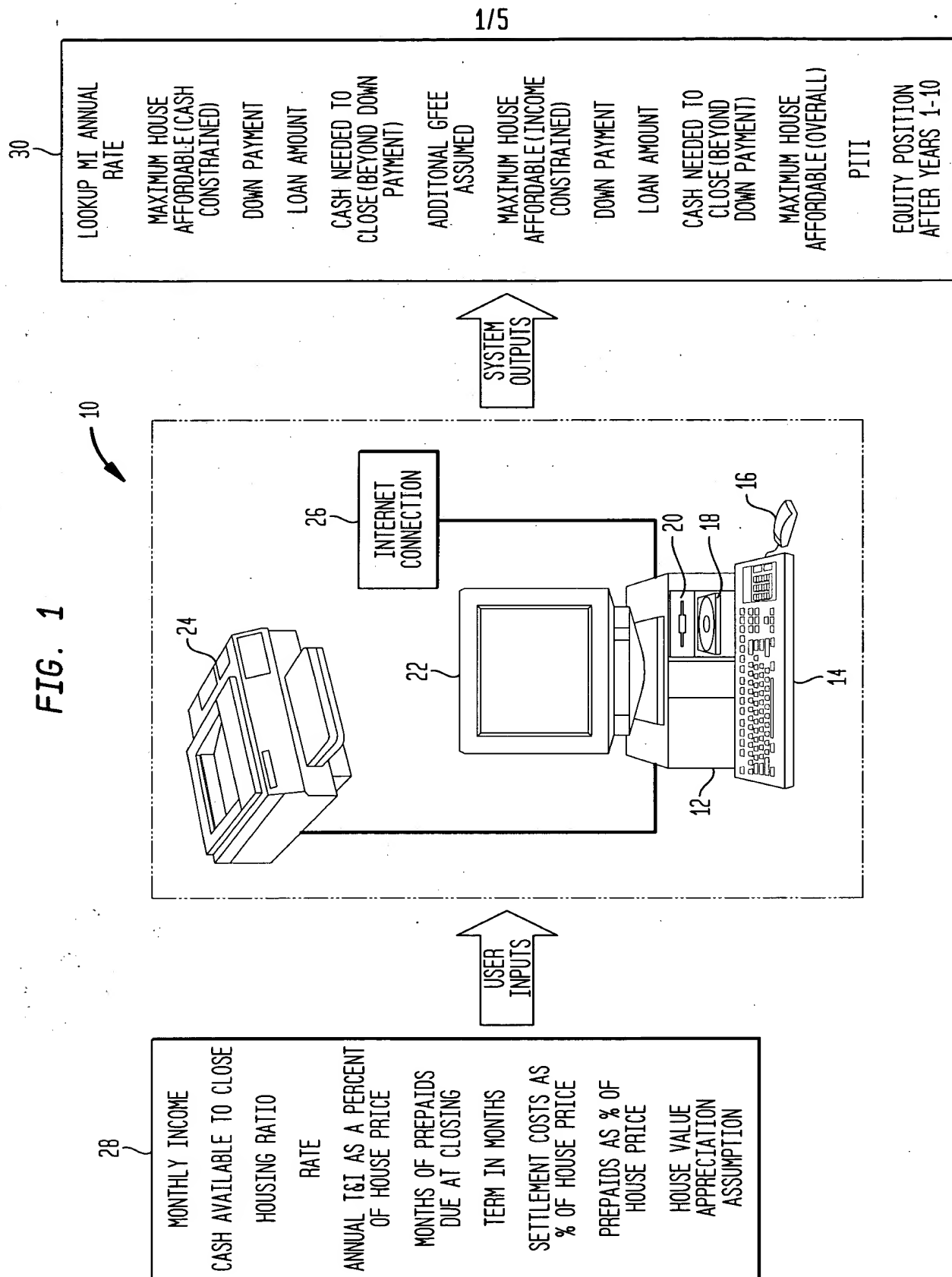


FIG. 1



32

```

ESTABLISHED CALCULATION METHOD FOR AFFORDABILITY TABLE
GIVEN A TARGET HOUSE PAYMENT,
MUST SOLVE FOR HOUSE PRICE USING GOAL SEEK FROM TOOL BAR
INPUT HOUSE PRICE                                100000
INPUT RATE                                         7.50%
INPUT ANNUAL T&I AS PERCENT OF HOUSE PRICE      1.50%
INPUT TERM IN MONTHS                             360
INPUT HOUSEING RATIO                             33%
INPUT MI ANNUAL RATE                             0.78%
INPUT LTV                                          95%
OUTPUT: HOUSE PAYMENT                            851
OUTPUT: GROSS MONTHLY INCOME NEEDED             2579

```

FIG. 3

MORTGAGE INSURANCE AFFORDABILITY CALCULATOR

INPUT MONTHLY INCOME 3000
 INPUT CASH AVAILABLE TO CLOSE 9000
 INPUT HOUSING RATIO 33%
 MAXIMUM PAYMENT 990 d
 INPUT RATE 7.50% 0.625%
 INPUT ANNUAL T&I AS PERCENT OF HOUSE PRICE 1.50% 0.125%
 INPUT MONTHS OF PREPAIDS DUE AT CLOSING 2
 INPUT TERM IN MONTHS 360
 INPUT SETTLEMENT COSTS AS % HOUSE PRICE 3%
 PREPAIDS AS % OF HOUSE PRICE 0.25%
 INPUT HOUSE VALUE APPRECIATION ASSUMPTION 3%

| LTV SCENARIO | | 100% |
|---|--------|----------|
| LOOKUP MI ANNUAL RATE | 0.080% | 0.36% |
| MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED) | | 276,923 |
| DOWNPAYMENT | | 276,923 |
| LOAN AMOUNT | | 9,000 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 0.05% |
| ADDITIONAL GFE ASSUMED | 0.55% | |
| MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED) | | 105,067 |
| DOWNPAYMENT | | 105,067 |
| LOAN AMOUNT | | 3,415 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | |
| MAXIMUM HOUSE AFFORDABLE (OVERALL) | | 108,482 |
| PITI | | \$50.03 |
| EQUITY POSITION AFTER YEAR | | |
| 1 | | \$4,121 |
| 2 | | \$8,411 |
| 3 | | \$12,880 |
| 4 | | \$17,536 |
| 5 | | \$22,390 |
| 6 | | \$27,451 |
| 7 | | \$32,732 |
| 8 | | \$38,243 |
| 9 | | \$43,996 |
| 10 | | \$50,009 |

| LTV SCENARIO | | 95% |
|---|--------|----------|
| LOOKUP MI ANNUAL RATE | 0.085% | 0.78% |
| MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED) | | 109,091 |
| DOWNPAYMENT | | 5,455 |
| LOAN AMOUNT | | 103,638 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 3,545 |
| MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED) | | 116,333 |
| DOWNPAYMENT | | 5,817 |
| LOAN AMOUNT | | 110,517 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 3,415 |
| MAXIMUM HOUSE AFFORDABLE (OVERALL) | | 114,298 |
| PITI | | \$28 |
| EQUITY POSITION AFTER YEAR | | |
| 1 | | \$9,663 |
| 2 | | \$14,083 |
| 3 | | \$14,083 |
| 4 | | \$23,436 |
| 5 | | \$28,406 |
| 6 | | \$33,591 |
| 7 | | \$38,995 |
| 8 | | \$44,632 |
| 9 | | \$50,515 |
| 10 | | \$56,658 |

| LTV SCENARIO | | 90% |
|---|--------|----------|
| LOOKUP MI ANNUAL RATE | 0.027% | 0.32% |
| MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED) | | 49,315 |
| DOWNPAYMENT | | 7,397 |
| LOAN AMOUNT | | 41,918 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 1,603 |
| MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED) | | 133,423 |
| DOWNPAYMENT | | 20,014 |
| LOAN AMOUNT | | 113,410 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 4,338 |
| MAXIMUM HOUSE AFFORDABLE (OVERALL) | | 49,316 |
| PITI | | \$66 |
| EQUITY POSITION AFTER YEAR | | |
| 1 | | \$9,263 |
| 2 | | \$11,203 |
| 3 | | \$13,222 |
| 4 | | \$15,322 |
| 5 | | \$17,508 |
| 6 | | \$19,785 |
| 7 | | \$22,158 |
| 8 | | \$24,628 |
| 9 | | \$27,205 |
| 10 | | \$29,893 |

| LTV SCENARIO | | 85% |
|---|--------|----------|
| LOOKUP MI ANNUAL RATE | 0.080% | 0.36% |
| MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED) | | 144,000 |
| DOWNPAYMENT | | 4,320 |
| LOAN AMOUNT | | 139,680 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 4,660 |
| MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED) | | 112,393 |
| DOWNPAYMENT | | 3,372 |
| LOAN AMOUNT | | 109,021 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 3,553 |
| MAXIMUM HOUSE AFFORDABLE (OVERALL) | | 112,674 |
| PITI | | \$90.00 |
| EQUITY POSITION AFTER YEAR | | |
| 1 | | \$7,749 |
| 2 | | \$12,305 |
| 3 | | \$17,049 |
| 4 | | \$21,991 |
| 5 | | \$27,141 |
| 6 | | \$32,511 |
| 7 | | \$38,111 |
| 8 | | \$43,954 |
| 9 | | \$50,053 |
| 10 | | \$58,422 |

| LTV SCENARIO | | 80% |
|---|--------|----------|
| LOOKUP MI ANNUAL RATE | 0.043% | 0.52% |
| MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED) | | 67,925 |
| DOWNPAYMENT | | 6,792 |
| LOAN AMOUNT | | 61,132 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 2,208 |
| MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED) | | 124,795 |
| DOWNPAYMENT | | 12,480 |
| LOAN AMOUNT | | 112,317 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 4,056 |
| MAXIMUM HOUSE AFFORDABLE (OVERALL) | | 97,999 |
| PITI | | \$39 |
| EQUITY POSITION AFTER YEAR | | |
| 1 | | \$9,394 |
| 2 | | \$12,100 |
| 3 | | \$14,916 |
| 4 | | \$17,848 |
| 5 | | \$20,902 |
| 6 | | \$24,083 |
| 7 | | \$27,399 |
| 8 | | \$30,858 |
| 9 | | \$34,462 |
| 10 | | \$38,225 |

| LTV SCENARIO | | 80% |
|---|--------|----------|
| LOOKUP MI ANNUAL RATE | 0.000% | 0.08% |
| MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED) | | 38,710 |
| DOWNPAYMENT | | 7,742 |
| LOAN AMOUNT | | 30,968 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 1,258 |
| MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED) | | 144,658 |
| DOWNPAYMENT | | 28,932 |
| LOAN AMOUNT | | 115,727 |
| CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT) | | 4,701 |
| MAXIMUM HOUSE AFFORDABLE (OVERALL) | | 56,710 |
| PITI | | \$265 |
| EQUITY POSITION AFTER YEAR | | |
| 1 | | \$8,189 |
| 2 | | \$10,532 |
| 3 | | \$12,856 |
| 4 | | \$15,168 |
| 5 | | \$17,574 |
| 6 | | \$19,979 |
| 7 | | \$22,379 |
| 8 | | \$24,779 |
| 9 | | \$27,179 |
| 10 | | \$29,579 |

MI LETS YOU BUY MORE HOUSE NOW
AND BUILD MORE EQUITY IN THE FUTURE!

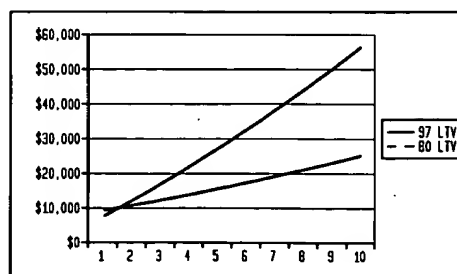


FIG. 4

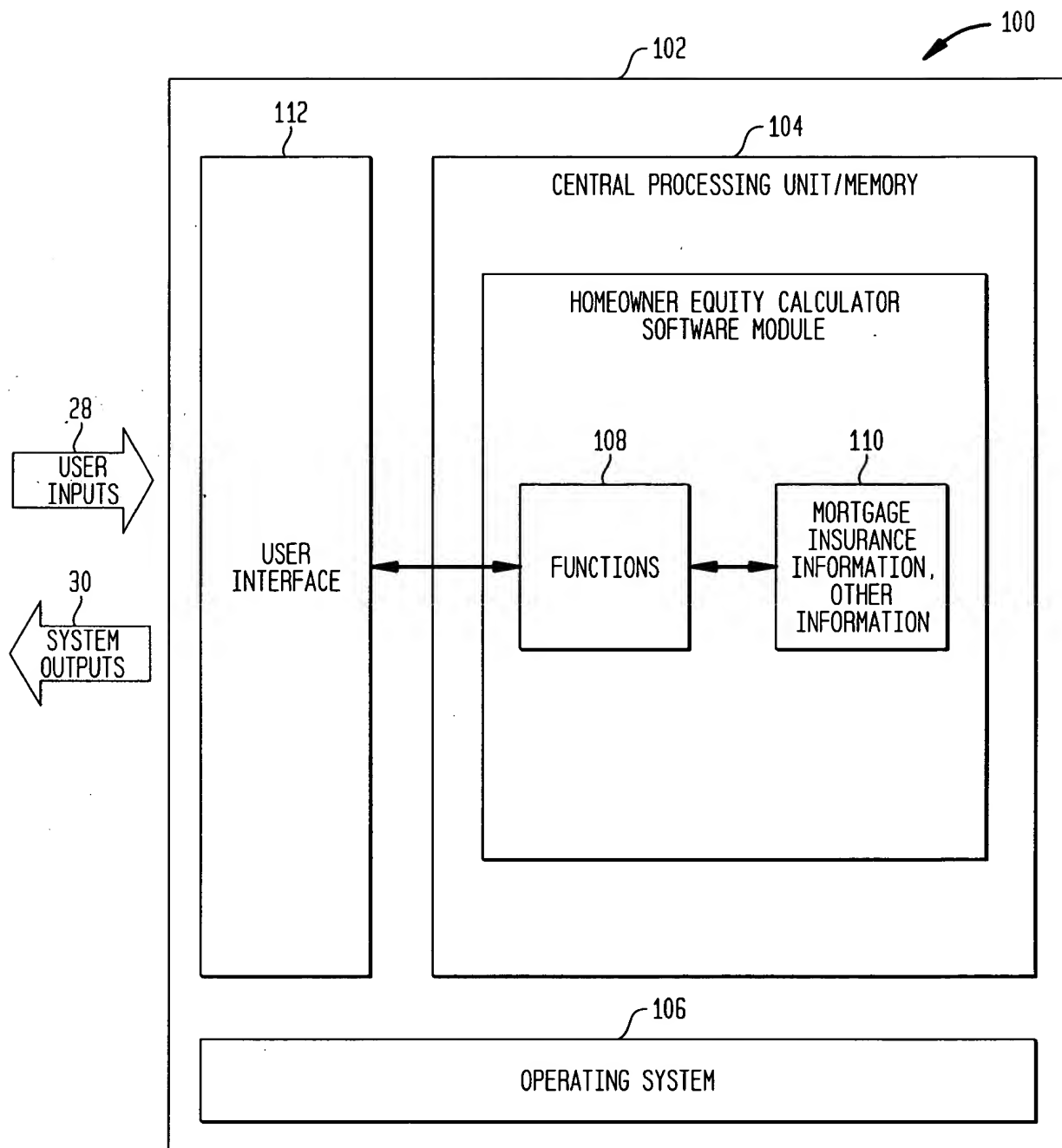


FIG. 5

